COMMITTEE ON FINANCE
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Max Baucus, Chairman
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BAUCUS EXAMINES NEW TOOLS TO SAVE BILLIONS IN MEDICARE, MEDICAID BY FIGHTING FRAUD, WASTE, ABUSE

Finance Chair Calls for More Benchmarks; Requests Quarterly Report on Taxpayer Savings

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today brought two top federal investigators before the Committee at a hearing on the implementation of the unprecedented new tools to fight fraud, waste and abuse included in the health care law. Baucus stressed the need for measurable results in fighting fraud, which costs taxpayers an estimated $60 billion each year. He asked the witnesses to provide the Committee with quarterly reports, including data, benchmarks and dates, on how much fraud has been stopped and how many taxpayer dollars have been saved. Baucus said the tools in the Affordable Care Act provide the oversight officials with an opportunity to significantly increase the taxpayer dollars saved by reducing fraud in Medicare and Medicaid.

"The health care reform law gives law enforcement officials unparalleled new ways to prevent, stop and prosecute fraud, waste and abuse in Medicare and Medicaid," said Baucus. **"Last year we recovered a record four billion taxpayer dollars, but that's just the tip of the iceberg. There is so much more we can do to fight health care fraud as a result of the new health care law and we need to begin this work immediately. We need to closely measure our effectiveness with data and deadlines and that's why I'm requesting a quarterly report on our progress from these investigators. Washington has to tighten the budget, and that means aggressively taking on fraud, which is exactly what I'm going to keep insisting we do."**

Baucus heard from Department of Health and Human Services (HHS) Inspector General Daniel Levinson, who is the senior official responsible for audits, evaluations, investigations and law enforcement efforts at the agency. He also heard from Centers for Medicare and Medicaid Services Deputy Administrator Peter Budetti, who is responsible for program integrity and operations in Medicare and Medicaid.

Baucus asked the officials for an update on the implementation of the new policies enacted in health reform to prosecute and prevent fraud. The law creates new ways for Medicare to screen health care providers before they are accepted into the program, which prevents criminals and past offenders from even being able to attempt fraudulent transactions. The law also creates a singular database for Medicare billing information, which allows the Departments of Health and Human Services and Justice to better coordinate and share information on past offenders and schemes. The law gives officials the authority to suspend payments and investigate suspicious claims before they are paid, which prevents the work of tracking down fraudulent payments later. It increases civil and criminal penalties for those who commit fraud, and expands the use of Recovery Audit Contractors, independent investigators who look at payments to find out if fraud is being committed, which have a strong track record of success.

Baucus also asked Mr. Levinson about a letter he sent HHS on Tuesday, along with Senators Carper and McCaskill. The Senators raised concerns about oversight of Medicare contractors and their parent

companies. Medicare hires contractors to cut the checks that reimburse many of the doctors, hospitals and other providers. And Medicare hires contractors to oversee the payment process to prevent fraud. The Senators raised concerns about the potential for conflict of interest because many of the oversight entities are owned by the same parent company.

Baucus said that he would continue to closely monitor the implementation of the new tools in the Affordable Care Act to prevent fraud, waste and abuse. He also committed to continuing Committee investigations of federal health care programs to determine what additional laws can be enacted to save taxpayer dollars.

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